television and electronics. The matter formed a specific term of reference of the Group of telecom and IT Convergence set up under the chairmanship of Finance Minister. The Group has now submitted its Report alongwith the suggested legislation which is presently under consideration of the Government.

Manufacturing of Cellular Hand-sets

3862. SHRI GHULAM NABI AZAD:

SHRI VIJAY J. DARDA: Will the Minister of

COMMUNICATIONS be pleased to state:

(a) whether it is a fact that our entire requirement of cellular hand-sets is presently met by import;

(b) if so, whether any steps have been taken to create infrastructure for manufacture of such sets indigenously;

(c) if so, the latest position thereon; and

(d) the anticipated requirement of hand-sets in the country ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR): (a) Yes, Sir.

(b) and (c) Manufacturing of the telecom equipment including Cellular hand-sets has been de-licensed, and therefore, companies are free to set up manufacturing units for the Cellular hand-sets. Furthermore, 100% FDI is allowed in manufacturing sector. Manufacturing of cellular hand-sets requires high volumes, of the order 1-2 million per annum, for economically viable capacities. Though Cellular Mobile phone is growing annually at the rate of over 100%, adding over 2,00,000 subscribers per month, volumes have not yet reached a level which encourage setting up of indigenous base. However, some companies like ITI, HTL and M/s. Global Marketing and Distribution Company have shown interest in setting up the infrastructure for manufacture of such sets indigenously.

In order to encourage the manufacture of the telecom equipment including cellular phones indigenously, Government has already reduced the basic customs duty on the parts of cellular phones to 5%.

(d) As the cellular subscribers are growing at the rate of 2,00,000 per month approximately, it is expected that the requirement of the cellular hand-sets would also grow at the same rate.